

2008 GENERAL SESSION FISCAL NOTE WORKSHEET XI (Revised Jan. 2008)

Agency: Utah State Office of Education
Ben Leishman
 Requested By

Bill Number SB48 2nd Substitute

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Fax/Electronic Mail Transmittal

Date: February 8, 2008
 Name: Ben Leishman
 Fax Number: _____

Please return to Fiscal Analyst by: February 6, 2008

TITLE OF BILL: EQUALIZATION OF SCHOOL CAPITAL OUTLAY FUNDING by Senator Dan R. Eastman

This Bill Takes Effect: ☐ On Passage ☒ On July 1 ☐ 60 Days after session ☐ Other _____

Bill Carries Own Appropriation: ☒

FISCAL IMPACT OF PROPOSED LEGISLATION

	FY 2008 Supp.	FY 2009	FY 2010
A. REVENUE IMPACT BY SOURCE OF FUNDS			
1. General Fund			
2. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6 Local Funds			
7. TOTAL	\$ -	\$ -	\$ -

B. EXPENDITURE IMPACT:

By Source of Funds			
1. General Fund			
2. General Fund, One Time			
3. Uniform School Fund - Education Fund		\$28,711,100	\$28,711,100
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6. Local Funds			
7. TOTAL	\$ -	\$ 28,711,100	\$ 28,711,100
By Expenditure Category			
1. Salaries, Wages and Benefits			
2. Travel			
3. Current Expenses			
4. D.P. Current Expenses			
5. Capital Outlay			
6. D.P. Capital Outlay			
7. Other (Specify) <u>Capital Outlay and Enrollment Growth</u>		\$28,711,100	\$28,711,100
8. TOTAL	\$ -	\$ 28,711,100	\$ 28,711,100

C. IMPACT IN FUTURE YEARS?

If no fiscal impact in first two years, indicate if there will be any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years.(Use back side, if necessary.)

Cathy Dudley MSP Budget and Property Tax Specialist 538-7667 February 8, 2008
 Prepared By Title Agency USOE Phone No. Date

D. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase

E. Expenditure Impact Details (Ties to totals in Section C)

List and document methodology and/or assumptions used in determining need for workload and cost increase.
List number, type, and step ranges of personnel required, including benefits.
List details of other impacted expenditure categories as shown in Section C.
List additional space requirements and cost associated with requirements of this bill.
(USE ATTACHMENTS IF NECESSARY.)

F. No Fiscal Impact or Will Not Require Additional Appropriations?

Specify why this bill will have no fiscal impact on your agency or institution.
Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)

G. If Bill Carries It's Own Appropriation:

Indicate if the amount appropriated is adequate to meet the purposes of the bill.
Are there future additional costs anticipated beyond the appropriation in the bill?
This legislation increases the Capital Outlay Foundation and Enrollment Growth Programs by \$28,711,100 for a total of \$56,000,000. This bill contains a coordinating clause which supersedes the ongoing base budget supporting the Capital Outlay Foundation Program and the Enrollment Growth Program of \$27,288,900 with a total of \$56,000,000 for both programs, a net increase of \$28.7 million.

The additional funds allow current benefitting school districts to receive more funds than they are receiving in the existing, ongoing Capital Outlay Foundation program with a few more school districts receiving some funding. The attached spreadsheet shows the proposed funding, using the same tax collection numbers, WPU's, and tax rates as calculated for the FY08 year, but changing the tax rate limit to 0.003000, as specified in the legislation.

The current statute holds school districts harmless if they have levied the 0.002400 tax rate in the previous two years. It may be beneficial for districts, under this proposed legislation, to have some sort of transition period for the hold harmless to the new 0.00300 level.

On or before December 31 of each year, the State Board of Education shall provide a county treasurer with audited enrollment information from the fall enrollment audit.

H. Impact on Local Governments, Businesses, Associations, and Individuals

Specify requirements in the bill that drive the impact on local governments.
Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)
Local School Districts/Charter Schools:

The school districts who are receiving funds in the current Capital Outlay Foundation program would receive more funding due to the increase in the appropriation as well as a few more districts receiving funding.

For those school districts receiving additional allocations, there is a provision to reduce the certified property tax rate the next year to offset the amount of new state capital outlay allocations. School districts that impose the new certified tax rate receive the same amount of funding, with a different mix of funding sources (less property tax, more state allocations). To receive additional property tax revenue school districts would go through Truth in Taxation hearings.

For school districts in a county of the first class, they shall impose a capital outlay levy of at least .0006 per dollar of taxable value. The county treasurer then shall distribute those revenues to school districts within the county based on 25% of the revenues to be distributed in proportion to a school district's percentage of the total enrollment growth and 75% in proportion to a school district's percentage of the total prior year enrollment in all of the school districts within the county.

If a new school district is created or boundaries adjusted, the enrollment for each affected school district shall be calculated on the basis of enrollment in school district schools located within that school district's newly created or adjusted boundaries as of October 1 enrollment counts.

In counties not of the first class, when a future school district division occurs, property tax equalization will be required within the entire district being divided only.

Businesses and Associations:

Individuals:

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

This fiscal note input draft does not imply endorsement of this bill by the State Board of Education or USOE.